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ORIGINAL97TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } No. 97-769

COMPLETED

AMENDING THE EMERGENCY FUND ACT (ACT OF
JUNE 26, 1948, 62 STAT. 1052)

AUGUST 19, 1982.—Committed to the Committee of the Whole House on the
State of the Union and ordered to be printed

Mr. UDALL, from the Committee on Interior and Insular Affairs,
submitted the following

REPORT

[To accompany S. 1628]

[Including the cost estimate of the Congressional Budget Office]

The Committee on Interior and Insular Affairs, to which was referred the bill (S. 1628) to amend the Emergency Fund Act (Act of June 26, 1948, 62 Stat. 1052), having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE

S. 1628, which passed the Senate on May 10, 1982, would amend the Emergency Fund Act of June 26, 1948 (62 Stat. 1052), to permit the use of emergency funds authorized to be appropriated from the reclamation fund for the repair of reclamation project facilities serving municipal and industrial purposes.

BACKGROUND AND NEED

The Emergency Fund Act currently authorizes the appropriation of an emergency fund for the Bureau of Reclamation to ensure continuous operation of its irrigation and power systems on projects governed by the Federal reclamation laws. The authority to use the fund for repairs does not extend to project facilities serving municipal and industrial purposes, although those purposes have become of increasing importance in many projects.

ANALYSIS

S. 1628 is in a single section which would amend the Emergency Fund Act of June 26, 1948 (62 Stat. 1052) to permit the use of funds appropriated from the reclamation fund for the emergency repair of project facilities serving municipal and industrial purposes. The amendment substitutes the term "project facilities" for the term "irrigation and power systems" where that term is used in the Act. The bill also extends the authority of the Act to permit the use of the emergency fund for the repair of facilities constructed with funds provided by the Small Reclamation Projects Act and the Distribution Systems Loan Act.

COMMITTEE ACTION

The Subcommittee on Water and Power Resources held a hearing on S. 1628 on June 15, 1982. The Full Committee on Interior and Insular Affairs considered the bill on August 11, 1982, and by voice vote, ordered the bill reported favorably without amendment.

DEPARTMENTAL VIEWS

Introduction and enactment of S. 1628 was requested by the Secretary of the Interior.

On June 15, 1982, the Commissioner of Reclamation testified before the Subcommittee on Water and Power Resources in favor of enactment of S. 1628 but requested an amendment to delete the authority in the bill for the use of funds for repairs to facilities constructed with funds provided under the Small Reclamation Project Act and the Distribution Systems Loan Act on the ground that the title to such facilities is not in the United States. However, the subcommittee declined to recommend such an amendment. The subcommittee agreed that the use of the emergency fund is discretionary and that the Bureau would not be compelled to expend any funds for repairs to such facilities. Also, since the construction money expended pursuant to the Small Reclamation Project Act and the Distribution Systems Loan Act is in the form of loans which must be repaid to the United States, there may be a situation in which it would be advisable for the Bureau to use the emergency fund for the repair of facilities constructed under one of the Acts in order to protect the security of the United States for the repayment of the loan. The full committee concurred in this conclusion. Accordingly the suggested amendment was not approved.

OVERSIGHT STATEMENT

No oversight recommendation has been received by the Committee pursuant to Rule XI.

COST AND INFLATIONARY IMPACT

The net average additional outlays by the Federal Government resulting in enactment of S. 1628 would be less than \$100,000 per year, according to estimates of the Congressional Budget Office. It is

the judgment of the Committee that enactment of S. 1628 would have no inflationary impact.

The analysis of the bill by the Congressional Budget Office follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., August 17, 1982.

HON. MORRIS K. UDALL,
Chairman, Committee on Interior and Insular Affairs, U.S. House of Representatives, Longworth House Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has reviewed S. 1628, a bill to amend the Emergency Fund Act, as ordered reported by the House Committee on Interior and Insular Affairs, August 11, 1982.

This bill extends the authority of the Commissioner of Reclamation to use the Bureau of Reclamation emergency fund for emergency repair of facilities that serve municipal or industrial water supply purposes, and facilities constructed pursuant to the Small Reclamation Project Act and the Distribution System Loans Act. Under the Emergency Fund Act, water districts are loaned funds for emergency repair work on irrigation and power projects. Repayment schedules are determined based on the water district's capability to repay their loans. Since fiscal year 1979, on the average, emergency fund loans have been repaid during the three years following the loan. Assuming a constant proportion of emergency funds will be necessary for projects given authority to receive loans from the emergency fund under this bill, and assuming payback schedules similar to historical trends, net average additional outlays by the federal government resulting from enactment of S. 1628 will be less than \$100,000 per year.

Should the Committee so desire, we would be pleased to provide further details on this estimate.

Sincerely,

RAYMOND C. SCHEPPACH,
(For Alice M. Rivlin, Director).

CHANGES IN EXISTING LAW

In compliance with clause 3 of Rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

An act to authorize an emergency fund for the Bureau of Reclamation to assure the continuous operation of its [irrigation and power systems.] *project facilities.*

ACT OF JUNE 26, 1948 (CH. 676, 62 STAT. 1052)

SECTION 1. In order to assure continuous operation of [irrigation or power systems operated and maintained by the Bureau of Reclamation, Department of the Interior,] *all projects and project facilities governed by the Federal reclamation law (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto), including any project and facilities constructed with funds provided by the Small Reclamation Projects Act (Act of August 6, 1956, 70 Stat. 1044, and Acts amendatory thereof or supplementary thereto) or with funds provided by the Distribution System Loans Act (Act of May 14, 1956, 69 Stat. 244, and Acts amendatory thereof or supplementary thereto), there is hereby authorized to be appropriated from the reclamation fund an emergency fund which shall be available for defraying expenses which the Commissioner of Reclamation determines are required to be incurred because of unusual or emergency conditions.*

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